

AVE MARIA STEWARDSHIP COMMUNITY DISTRICT EXPANSION OF THE DISTRICT'S BOUNDARIES STATEMENT OF ESTIMATED REGULATORY COSTS

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Prepared for

The Ave Maria Stewardship Community Development District

Prepared by



Real Estate Econometrics, Inc.

**Real Estate Econometrics, Inc.
Suite 100
707 Orchid Drive
Naples, Florida 34102
(239) 269-1341
Ree-i.com**

1.0 Introduction

1.1 Purpose

The Ave Maria Stewardship Community District (“District”) is a local unit of special-purpose government of the State of Florida created pursuant to the Ave Maria Stewardship Community District Act, Chapter 2004-461, Laws of Florida, as may be amended (the “Act”). The District consists of approximately 10,805 acres located within Collier County. The Barron Collier Companies, with support of the District, is petitioning to expand its boundary to include approximately 1,000+/- acres of land in Collier County (“Expansion Parcel”). The Expansion Parcel is expected to be planned for the development of master-planned, mixed-use development consistent with the development pattern in Ave Maria. This statement of estimated regulatory costs (“SERC”) analyzes the cost impacts of the District’s petition to expand its boundaries.

1.2 Requirements for Statement of Estimated Regulatory Costs

Section 120.541(2), F.S. defines the elements that a statement of estimated regulatory costs must contain:

- a) An economic analysis showing whether the rule directly or indirectly:
 1. Is likely to have an adverse impact on economic growth, private sector job creation or employment, or private sector investment in excess of \$1 million in the aggregate within 5 years after the implementation of the rule;
 2. Is likely to have an adverse impact on business competitiveness, including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets, productivity, or innovation in excess of \$1 million in the aggregate within 5 years after the implantation of the rule; or
 3. Is likely to increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule.
- b) A good faith estimate of the number of individuals and entities likely to be required to comply with the rule, together with a general description of the types of individuals likely to be affected by the rule.
- c) A good faith estimate of the cost to the agency, and to any other state and local government entities, of implementing and enforcing the proposed rule, and any anticipated effect of state and local revenues.

- d) A good faith estimate of the transactional costs likely to be incurred by individuals and entities, including local governmental entities, required to comply with the requirements of the rule. As used in this paragraph, “transactional costs” are direct costs that are readily ascertainable based upon standard business practices, and include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the rule, additional operating costs incurred, and the cost of monitoring and reporting.
- e) An analysis of the impact on small businesses as defined by Section 288.703, F.S., and an analysis of the impact on small counties and small cities as defined by Section 120.52, F.S.
- f) Any additional information that the agency determines may be useful.
- g) In the statement or revised statement, whichever applies, a description of any good faith written proposal submitted under paragraph (1) (a) and either a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule.

2.0 Economic Analysis of the Proposed Act

2.1 Is the proposed Act likely to have an adverse impact on economic growth, private sector job creation or employment, or private sector investment in excess of \$1 million in the aggregate within 5 years after the implementation of the Act;

No. The proposed expansion of the District’s boundaries will not have any adverse impacts on economic growth, employment or investment.

The purpose for the District expansion is to provide public facilities and services to support the development of the expansion. The development of the approximately 1,000 +/- acres anticipated to be within the District will promote local economic activity, create local value, lead to local private sector investment and is likely to result in local private sector employment and/or local job creation.

Establishment of the District will allow a systematic method to plan, fund, implement, operate and maintain, for the benefit of the landowners within the District, various public facilities and services. Such facilities and services will allow for the development of the land within the District. The provision of District’s infrastructure and the subsequent development of land will generate private economic activity, economic growth, investment and employment, and job creation. The residents and employees generated by the expansion will increase the demand for goods and services supporting additional permanent economic benefits.

2.2 Is the proposed Act likely to have an adverse impact on business competitiveness, including the ability of person doing business in the state to compete the persons doing business in other states or domestic markets, productivity, or innovation in excess of \$1 million in the aggregate within 5 years after the implementation of the Act;

No. As discussed above, the expansion will stimulate economic growth. Concerning competitive impacts, the District must comply with all of Florida's regulations concerning competitive bidding of the infrastructure work along with all other District expenditures. There will be no adverse impact on the competitive position of Floridians, nor will there be any adverse impact on productivity or innovation.

2.3 Is the proposed Act likely to increase regulatory costs, including any transactional costs million in the aggregate within 5 years after the implementation of the Act;

Yes. If the boundary expansion is approved, the District would install the infrastructure needed to for the development of the Expansion Parcel at a cost of about \$32.8 million. The District finances its capital improvements by issuing bonds, and when financing costs are included, the total cost will be about \$42 million. The District imposes special assessments to fund the debt service for its capital improvements on the properties that specially benefit from the improvements. Since the District uses special assessments to fund its debt service obligations, the District will have to prove by Florida Statute that the increase in regulatory costs of \$42 million is more than offset by the special benefits of the capital improvements.

3.0 Analysis of the Regulatory Cost of the Proposed Act

3.1 A good faith estimate of the number of individuals and entities likely to be required to comply with the Act, together with a general description of the types of individuals likely to be affected by the Act.

The expansion of the District's boundaries will directly affect the ultimate owners of the Expansion Parcel. With the estimated number of homes in the expansion area (2,500) and the persons per household average in Collier County (2.39), it is estimated that 6,000 individuals will be required to comply with the Act. Prior to the development and sale of the land, the landowner will be obligated to pay the assessments.

3.2 A good faith estimate of the cost to the agency, and to any other state and local government entities, of implementing and enforcing the proposed Act, and any anticipated effect on state and local revenues.

Because the result of adopting the bill is the expansion of an already established independent local special purpose government, there will be no significant enforcing responsibilities of any other government entity. The only governmental agency affected by the proposed expansion of the District's boundaries is the District. There will be no negative impact on state or local revenues. Instead, the impact on state or local revenues will be a positive impact from increased taxable land values.

- 3.3 A good faith estimate of the number of the transactional costs likely to be incurred by individuals and entities, including local government entities, required to comply with the requirements of the Act. As used in this section, "transactional costs" are direct costs that are readily ascertainable based upon standard business practices, and include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the Act, additional operating costs incurred, the cost of monitoring and reporting, and any other costs necessary to comply with the Act.**

The proposed expansion of the District will result in increased transactional costs for the ultimate landowners in the Expansion Area. As noted above, these landowners will be subject to special assessments that the District will impose to fund the costs for the installation of the infrastructure necessary to support development in the Expansion Parcel. Before imposing the special assessments, the District must prove that the special benefits created in the Expansion Parcel from the infrastructure will exceed the special assessments imposed to pay for the improvements. There will not be any transactional costs to the local government.

- 3.4 An analysis of the impact on small businesses as defined by a Section 288.703, F.S., and an analysis of the impact on small counties and small cities as defined in Section 120.52, F.S. The impact analysis for small businesses must include the basis for the agency's decision not to implement alternatives that would reduce adverse impacts on small businesses.**

Collier County has a population of 375,752 according to the Census 2020 conducted by the United States Census Bureau and is therefore not defined as a "small" county according to Section 120.52, F.S.

Establishing the District should not have any negative impact on small businesses. Any business, large or small, has the option of locating itself in a CDD provided the local governmental authority has issued the appropriate land use approvals. Those that choose this option will be subject to the financial obligations imposed by the District and will accrue the benefits resulting from being in the District.

Furthermore, the District must operate according to Florida's "Sunshine" laws and must follow certain competitive bidding requirements for certain goods and services it will purchase. As a result, small businesses should be better able to compete for District business serving the lands to be included within the District.

3.5 Any additional information that the agency determines may be useful.

The analysis provided above is based on a straightforward application of economic theory, especially as it relates to tracking the incidence of regulatory costs and benefits. Inputs were received from the Petitioner's Engineer and other professionals associated with the Petitioner.

3.6 In the statements or revised statement, whichever applies, a description of any regulatory alternatives submitted under paragraph (1)(a) and a statement adopting the alternatives or a statement of the reasons for rejecting the alternative in favor of the proposed Act.

No written proposal, statement adopting an alternative or statement of the reasons for rejecting an alternative have been submitted.

Based upon the information provided herein, this Statement of Estimated Regulatory Costs supports the petition to expand the boundary of the Ave Maria Stewardship Community District.

Real Estate Econometrics, Inc. certifies that this SERC meets the requirements for a SERC as set out in Chapter 120.541, F.S.

Below is a listing of some of the SERCs developed by Real Estate Econometrics, Inc.

- Capital Region Community Development District
- Cypress Shadows Community Development District
- City Gate Community Development District
- Twin Lakes Community Development District
- One Daytona Community Development District
- Hacienda Lakes Community Development District
- Hacienda Lakes Community Development District (Boundary Change)
- Fronterra Community Development District
- Fiddler's Creek Community Development District #1 (Boundary Scrivener's Error)
- Fiddler's Creek Community Development District #2 (Boundary Scrivener's Error)
- Fiddler's Creek Community Development District #1 (Boundary Change)
- Fiddler's Creek Community Development District #2 (Boundary Change)
- Hacienda North Community Development District